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TOWNSEND AND TOWNSEND AND CREW, LLP			NGUYEN, HIEP VAN	
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**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b> 10/821,408	<b>Applicant(s)</b> SELLEN ET AL.
	<b>Examiner</b> HIEP NGUYEN	<b>Art Unit</b> 3686

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If no period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### Status

1) Responsive to communication(s) filed on 27 February 2009.  
 2a) This action is FINAL.      2b) This action is non-final.  
 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### Disposition of Claims

4) Claim(s) 1-28 is/are pending in the application.  
 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.  
 5) Claim(s) \_\_\_\_\_ is/are allowed.  
 6) Claim(s) 1-28 is/are rejected.  
 7) Claim(s) \_\_\_\_\_ is/are objected to.  
 8) Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

9) The specification is objected to by the Examiner.  
 10) The drawing(s) filed on \_\_\_\_\_ is/are: a) accepted or b) objected to by the Examiner.  
 Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
 Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).  
 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

#### Priority under 35 U.S.C. § 119

12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).  
 a) All    b) Some \* c) None of:  
 1. Certified copies of the priority documents have been received.  
 2. Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.  
 3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

#### Attachment(s)

1) Notice of References Cited (PTO-892)  
 2) Notice of Draftsperson's Patent Drawing Review (PTO-948)  
 3) Information Disclosure Statement(s) (PTO/SB/08)  
 Paper No(s)/Mail Date \_\_\_\_\_

4) Interview Summary (PTO-413)  
 Paper No(s)/Mail Date \_\_\_\_\_  
 5) Notice of Informal Patent Application  
 6) Other: \_\_\_\_\_

### **DETAILED ACTION**

1. Claims 1-28 have been examined. Claims 1 and 17 have been amended. No new matter has been added.

#### ***Claim Rejections - 35 USC § 102***

2. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in

(1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or

(2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

3. Claim 1-13 and 15-28 rejected under 35 U.S.C. 102(e) as being anticipated by Templeton et al. (US 2003/013091).

4. With respect to claim 1, Templeton et al. teaches a method of processing electronic promissory payments made by a customer to a merchant, the method comprising:

a. receiving at a processing component of a check approval service an electronic representation of a promissory payment that includes an identification

of the customer account and the merchant ('919; Paragraph 0049-promissory payment instrument; Paragraph 0053-0054: check acceptance service 110; Fig 1- check acceptance service 111, path 130 or path 136.)

b. determining with the processing component whether the payment can be submitted for subscriber settlement by evaluating a special rules database to determine whether the customer's transactions are subject to a special rule ('919; Paragraphs. 0054: recommendations provided by check acceptance service to the merchant regarding whether to accept or to refuse the check; 0064; 0071: negative database), wherein the special rules database comprises a plurality of records associated with customers, a plurality of records associated with financial institution accounts, a plurality of records associated with financial institution branches, and a plurality of records associated with past financial transactions and wherein each record of the special rules database is associated with a rule defining an alternative resolution strategy for handling the promissory payment ('919; Paragraph 0071-0074; Fig. 3: Database of DDA information-Decision systems 182; Paragraph 0077:);

c. submitting the promissory payment to the customer's financial institution electronically from the processing component in response to determining that the transactions of the customer are not subject to a special rule ('919; Figs. 2 and 3: issue bank; Paragraph 0059 send check to the check-issuing bank; Paras. 0070 risk engine comprising a set of pre-scoring rules and accessing DDA

information to determine a pattern of frequently good and trouble-free transactions) ; and

d. applying the special rule by the processing component in response to determining that the transactions of the customer are subject to a special rule ('919; Paragraph 0066-0068, 0072.)

5. With respect to claim 2, Templeton et al. evaluating the special rules database includes identifying the customer's financial institution associated with at least one of an account number, a routing number, and an alternative routing number ('919; Paragraph 0066: negative database with account information.)

6. With respect to claim 3, Templeton et al. teaches wherein evaluating the special rules database includes determining if the special rule comprises printing the electronic representation of the payment as a paper drafted check for submission to the clearing house ('919; Paragraph 0160, lines 1-7.)

The Examiner notes the recited "if" in the limitations does not distinguish the claimed invention. This phrase is conditional limitation with the noted "if" step that is not necessary performed. Accordingly, once the positively recited steps are satisfied, the method as a whole is satisfied, regardless of whether or not other steps are conditionally invocable under certain other hypothetical scenarios. [See: *In re Johnson, 77 USPQ2d 1788 (CA FC 2006); Intel Corp. v. Int'l Trade Comm'n, 20 USPQ2d 1161*

(Fed. Cir. 1991); MPEP 2106II C].

7. With respect to claim 4, Templeton et al. teaches wherein applying the special rule includes submitting the paper drafted check to the customer's financial institution ('919; Paragraph 0157, lines 1-6, Paragraph 0160, lines 1-7.)

8. With respect to claim 5, Templeton et al. teaches applying the special rule includes submitting a pre-authorized check or PAC item ('919; Paragraph 0050, lines 1-15.)

9. With respect to claim 6, Templeton et al. teaches evaluating the special rules database includes determining if the special rule comprises submitting the electronic representation of the payment to the customer's financial institution via a direct electronic access system ('919; Paragraph 0089, lines 8-12, Paragraph 0058, lines 9-14.)

The Examiner notes the recited "if" in the limitations does not distinguish the claimed invention. This phrase is conditional limitation with the noted "if" step that is not necessary performed. Accordingly, once the positively recited steps are satisfied, the method as a whole is satisfied, regardless of whether or not other steps are conditionally invocable under certain other hypothetical scenarios. [See: *In re Johnson*, 77 USPQ2d 1788 (CA FC 2006); *Intel Corp. v. Int'l Trade Comm'n*, 20 USPQ2d 1161

(Fed. Cir. 1991); MPEP 2106II C].

10. With respect to claim 7, Templeton et al. teaches applying the special rule includes submitting the electronic representation of the payment to the customer's financial institution via the direct electronic access system ('919; Paragraph 0058, lines 9-14.)

11. With respect to claim 8, Templeton et al. teaches evaluating the special rules database includes determining if the special rule comprises the use of an alternative routing transit number ('919; Paragraph 0088, lines 1-8.)

The Examiner notes the recited "if" in the limitations does not distinguish the claimed invention. This phrase is conditional limitation with the noted "if" step that is not necessary performed. Accordingly, once the positively recited steps are satisfied, the method as a whole is satisfied, regardless of whether or not other steps are conditionally invocable under certain other hypothetical scenarios. [See: *In re Johnson*, 77 USPQ2d 1788 (CA FC 2006); *Intel Corp. v. Int'l Trade Comm'n*, 20 USPQ2d 1161 (Fed. Cir. 1991); MPEP 2106II C].

12. With respect to claim 9, Templeton et al. teaches applying the special rule includes submitting the electronic representation of the promissory payment to the

customer's financial institution using the alternative routing transit number ('919;

Paragraph 0089, lines 9-12.)

13. With respect to claim 10, Templeton et al. teaches evaluating the special rules database includes determining if the special rule comprises the use of an alternative account number ('919; Paragraph 0088, lines 1-8.)

The Examiner notes the recited "if" in the limitations does not distinguish the claimed invention. This phrase is conditional limitation with the noted "if" step that is not necessary performed. Accordingly, once the positively recited steps are satisfied, the method as a whole is satisfied, regardless of whether or not other steps are conditionally invocable under certain other hypothetical scenarios. [See: *In re Johnson*, 77 USPQ2d 1788 (CA FC 2006); *Intel Corp. v. Int'l Trade Comm'n*, 20 USPQ2d 1161 (Fed. Cir. 1991); MPEP 2106II C].

14. With respect to claim 11, Templeton et al. teaches applying the special rule includes submitting the electronic representation of the promissory payment to the customer's financial institution using the alternative account number ('919; Paragraph 0088, lines 1-8.)

15. With respect to claim 12, Templeton et al. teaches receiving electronic promissory payments comprises generating an electronic profile relating to the customer using electronic check conversion ('919; Paragraph 0162, lines 1-10.)

16. With respect to claim 13, Templeton et al. teaches applying the special rule comprises submitting the electronic representation to the customer's financial institution and transferring funds from the customer's account using electronic fund transfer ('919; Paragraph 0058, lines 9-14.)

17. With respect to claim 15, Templeton et al. teaches the method further comprises performing a risk assessment relating to processing electronic promissory payments using the electronic representations of the promissory payments ('919; Abstract, lines 1-6.)

18. With respect to claim 16, Templeton et al. teaches updating the special rules database in a manner so as to record previous submissions by the customer ('919; Paragraph 0081, lines 1-15.)

19. With respect to claim 17, Templeton et al. teaches a method of settling a financial transaction between a customer and a merchant using a routing mechanism ('919; Paragraph 0089, lines 1-13), the method comprising:

acquiring at a processing component of a check approval service an electronic profile relating to the customer, wherein the electronic profile can be used to transfer funds from the customer's financial institution ('919; Paragraph 0025; Paragraph 0049-promissory payment instrument; Paragraph 0053-0054: check acceptance service 110; Fig 1- check acceptance service 111, path 130 or path 136);

evaluating the electronic profile with the processing component using a special rules database having previously stored electronic information relating to the customer in a manner so as to identify a special rule; and requesting settlement of the financial transaction with the customer's financial institution from the processing component using the electronic profile and the special rule, wherein the special rule identifies the manner in which the funds can be transferred from the customer's financial institution ('919; Paragraphs. 0049; 0054: recommendations provided by check acceptance service to the merchant regarding whether to accept or to refuse the check;; Paragraph 0066: internal database with customer and merchant information; Fig 2- internal database 156: check-writer information, merchant information, and negative database; Paragraph 0088.)

20. With respect to claim 18, Templeton et al. teaches identifying the special rule includes identifying that the financial transaction requires printing of a paper drafted check ('919; Paragraph 0160, lines 1-7.)

21. With respect to claim 19, Templeton et al. teaches printing the paper drafted check includes printing a drop-to-draft check ('919; Paragraph 0160, lines 1-7.)

22. With respect to claim 20, Templeton et al. teaches requesting settlement of the financial transaction comprises submitting the printed paper drafted check to the clearing house to settle the financial transaction ('919; Paragraph 0160, lines 1-10.)

23. With respect to claim 21, Templeton et al. teaches identifying the special rule includes identifying that the financial transaction requires the use of a direct electronic access system ('919; Paragraph 0089, lines 8-12, Paragraph 0058, lines 9-14.)

24. With respect to claim 22, Templeton et al. teaches requesting settlement of the financial transaction comprises submitting the electronic profile to the customer's financial institution using the direct electronic access system ('919; Paragraph 0058, lines 9-14.)

25. With respect to claim 23, Templeton et al. teaches evaluating the special rules database includes evaluating pre-recorded electronic information relating to either the customer or the customer's financial institution ('919; Paragraph 0086, lines 1-14.)

26. With respect to claim 24, Templeton et al. teaches evaluating the pre-recorded information comprises evaluating a previous check writing history relating to either the customer or the customer's financial institution ('919; Paragraph 0089 lines 6-12.)

27. With respect to claim 25, Templeton et al. teaches identifying either the customer or the customer's financial institution associated with at least one of an account number, a routing number, and an alternative routing number ('919; Paragraph 0081, lines 1-15.)

28. With respect to claim 26, Templeton et al. teaches the method further comprises generating a risk score indicative of the risk associated with the financial transaction ('919; Paragraph 0093, lines 1-5)

29. With respect to claim 27, Templeton et al. teaches updating the special rules database in a manner so as to record previous electronic profiles relating the customer ('919; Paragraph 0089, lines 1-13.)

30. With respect to claim 28, Templeton et al. teaches evaluating the electronic profile further comprises developing at least one special rule relating to at least the customer ('919; Paragraph 0089, lines 1-13.)

***Claim Rejections - 35 USC § 103***

31. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

32. Claim 14 is rejected under 35 U.S.C. 103(a) as being unpatentable over Templeton et al. in view of Allan (US 2003/0055756.)

33. With respect to claim 14, Templeton et al. teaches wherein applying the special rules comprises submitting the electronic representation to the customer's financial institution directly and transferring funds from the customer's account direct connect, On-Us processing ('919; Paragraph 0058.) However, Templeton et al. does not direct show account direct connecting of On-us processing. Allan teaches an On-us transaction (Page 4, paragraph 0040.)

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify Templeton et al. taught by Allan and include Allan's On-us transaction in Templeton et al.

***Response to Arguments***

34. Applicant's arguments filed Feb. 27, 2009 have been fully considered but they are not persuasive.

35. In the remarks filed Feb. 27, 2009, the Applicants argued that Templeton does not disclose determining whether the promissory payment can be submitted for subscriber settlement by evaluating a special rules database to determine whether transactions of the customer are subject to a special rule, wherein the special rules database comprises a plurality of records associated with customers, a plurality of records associated with financial institution accounts, a plurality of records associated with financial institution branches, and a plurality of records associated with past financial transactions and wherein each record of the special rules database is associated with a rule defining an alternative resolution strategy for handling the promissory payment.

36. In response to Applicant's argument, the Examiner respectfully disagrees that inaction on the part of Templeton's teaching as argued by the Applicants. Templeton discloses the transaction of customer submitted for subscriber settlement by evaluating the promissory information through the access settlement path determination ('919; Paras 0162, 0166). Further, Templeton discloses details about the current check to be settled on behalf of merchant comprising merchant types or preferences (i.e. names, bank account..) and stipulation of predetermined criteria for settling via given path ('919;

Para 0168). Therefore given the broadest reasonable interpretation to one of ordinary skill in the art, it is submitted that the access settlement path determination is a form of an alternative resolution strategy.

***Conclusion***

37. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.
38. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to HIEP NGUYEN whose telephone number is (571) 270-5211. The examiner can normally be reached on Monday through Friday 7:30AM-5:00PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Jerry O'Connor can be reached on (571) 272-6787. The fax phone number for the organization where this application or proceeding is assigned is (571) 273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or (571) 272-1000.

/H. N./  
Examiner, Art Unit 3686  
April 30, 2009

/Gerald J. O'Connor/  
Supervisory Patent Examiner  
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